# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:1837
ANSWERED ON:01.08.2003
INVESTMENT BY MULTINATIONAL COMPANIES
SULTAN SALAHUDDIN OWAISI

**Will the Minister of FINANCE be pleased to state:**

(a) whether FICCI conducted a survey on the investment and expansion by the Multinational Companies;

(b) if so, the details thereof;

(c) whether most of the MNCs have favoured higher investment in India provided infrastructure, legal and labour law bottleneck are removed;

(d) if so, whether the FICCI has presented the survey report to the Government for consideration and action; and

(e) if so, the steps taken or being taken by the Government to make the environment friendly for MNCs for their expansion plan?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) Yes Sir, Federation of Indian Chambers of Commerce & Industry(FICCI) conducted a survey of Foreign Direct Investors in India 2002.

(b) & (c)The Survey covered 385 respondents from across sectors. The five key conclusions of the survey were : (i) Performance of foreign investors is satisfactory with 61% reporting profits or break-even, (ii) 51% of respondents stated that they have expansion plans in the near future, (iii) States which are perceived more positively can be expected to receive higher FDI inflows in the near future, (iv) Policy issues have shown a marked improvement over the previous year with 93% indicating that handling of approvals at the centre is good to average and policy related issues are effective, (v) Market Growth conditions are still robust, (vi) The Survey also highlights need to rationalize the tax regime, labour laws and regulatory framework.

d) FICCI submitted a copy of the survey report to Government of India for information.

e) Government is now ushering in the second generation reforms aimed at further and faster integration of the Indian economy with the global economy. FDI is encouraged in almost all sectors including the services sector except a small negative list.